UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

x **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2012

¨ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ___________ to ___________

Commission file number: 000-54389

GENIUS BRANDS INTERNATIONAL, INC.

(Exact name of registrant as specified in its charter)

Nevada	**20-4118216**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
5820 Oberlin Dr., Suite 203 **San Diego, California**	**92121**
(Address of principal executive offices)	(Zip Code)

(858) 450-2900
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. **Yes** x **No** ¨

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	¨	Accelerated filer	¨
Non-accelerated filer (Do not check if a smaller reporting company)	¨	Smaller reporting company	x

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). **Yes** ¨ **No** x.

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 71,687,617 shares of common stock, par value $0.001, were outstanding as of May 15, 2012.

GENIUS BRANDS INTERNATIONAL, INC.
FORM 10-Q

For the Quarterly Period Ended March 31, 2012

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PART I — FINANCIAL INFORMATION

Item 1. Consolidated Financial Statements (Unaudited).

Genius Brands International, Inc.
Consolidated Balance Sheets
March 31, 2012 (unaudited) and December 31, 2011 (audited)

ASSETS	**03/31/12**	**12/31/2011**
Current Assets:		
Cash	$ 428,771	$ 405,341
Accounts Receivable, net	682,117	1,021,039
Inventory	270,887	340,782
Prepaid and Other Assets	191,168	168,486
Total Current Assets	1,572,943	1,935,648
Property and Equipment, net	29,824	32,894
Capitalized Product Development in Process	306,467	278,696
Intangible Assets, net	369,374	405,019
Total Assets	**$ 2,278,608**	**$ 2,652,257**
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current Liabilities:		
Accounts Payable	$ 1,005,843	$ 1,008,460
Accrued Expenses	420,701	408,684
Accrued Salaries and Wages	316,756	193,519
Accrued Interest - Debentures	19,049	19,049
Total Current Liabilities	1,762,349	1,629,712
Long Term Liabilities:		
Notes Payable – Related Parties and Accrued Interest	429,687	2,143,178
Total Liabilities	2,192,036	3,772,890
Stockholders' Equity (Deficit)		
Common Stock, $0.001 par value, 250,000,000 shares authorized; 69,426,547 and 60,698,815 shares issued and outstanding, respectively	69,427	60,699
Additional Paid in Capital	8,757,861	6,959,083
Accumulated Deficit	(8,740,716)	(8,135,049)
Total Genius Brands International, Inc. Stockholders' Equity (Deficit)	86,572	(1,115,267)
Noncontrolling Interest	-	(5,366)
Total Equity	86,572	(1,120,633)
Total Liabilities & Stockholders' Equity (Deficit)	**$ 2,278,608**	**$ 2,652,257**

See accompanying notes to consolidated financial statements

Genius Brands International, Inc.
Consolidated Statements of Operations
Periods Ending March 31, 2012 and 2011 (unaudited)

	Three Months Ending	
	03/31/12	03/31/11
Revenues:		
Product Sales	$ 1,001,251	$ 893,292
Licensing & Royalties	29,696	413,885
Total Revenues	1,030,947	1,307,177
Cost of Sales (Excluding Depreciation)	734,131	553,908
Gross Profit	296,816	753,269
Operating Expenses:		
Product Development	5,680	5,263
Professional Services	73,875	66,860
Rent Expense	9,432	32,321
Marketing & Sales	189,557	364,551
Depreciation & Amortization	38,715	54,830
Salaries and Related Expenses	409,364	306,289
Stock Compensation Expense	61,960	1,771
Other General & Administrative	75,404	73,044
Total Operating Expenses	863,987	904,929
Loss from Operations	(567,171)	(151,660)
Other Income (Expense):		
Other Income	85	10,416
Interest Expense	(1,160)	(1,145)
Interest Expense – Related Parties	(32,055)	(33,861)
Net Other Income (Expense)	(33,130)	(24,590)
Loss before Income Tax Expense and Noncontrolling Interest	(600,301)	(176,250)
Income Tax Expense	-	-
Net Loss	(600,301)	(176,250)
Acquisition of minority interest	(5,366)	
Net Loss attributable to Noncontrolling Interest	-	3,444
Net Loss attributable to Genius Brands International, Inc.	$ (605,667)	$ (172,806)
Net Loss per common share	$ (0.01)	$ (0.00)
Weighted average shares outstanding	60,698,815	55,116,515

See accompanying notes to consolidated financial statements

Genius Brands International, Inc.
Consolidated Statements of Stockholders' Equity (Deficit)

	Common Stock		Additional Paid in Capital	Noncontrolling Interest	Accumulated Deficit	Total
	Shares	Amount				
Balance, December 31, 2011 (audited)	60,698,815	$ 60,699	$ 6,959,083	$ (5,366)	$ (8,135,049)	$ (1,120,633)
Common Stock Issued in exchange for repayment of Note Payable	8,727,732	8,728	1,736,818	-	-	1,745,546
Stock Compensation Expense	-	-	61,960	-	-	61,960
Acquisition of minority interest	-	-	-	5,366		5,366
Net Loss	-	-	-	-	(605,667)	(605,667)
Balance, March 31, 2012 (unaudited)	69,426,547	$ 69,427	$ 8,757,861	$ -	$ (8,740,716)	$ 86,572

See accompanying notes to consolidated financial statements

Genius Brands International, Inc.
Consolidated Statements of Cash Flows (unaudited)

	Three Months Ending	
Cash Flows from Operating Activities:	**3/31/2012**	**03/31/2011**
Net Loss	$ (600,301)	$ (176,250)
Adjustments to reconcile net loss to net cash provided in operating activities:		
Depreciation Expense	3,070	3,668
Amortization Expense	35,645	51,162
Issuance of Common Stock for Services	-	9,690
Stock Compensation Expense	61,960	1,771
Decrease (increase) in operating assets		
Accounts Receivable	338,922	383,444
Inventory	69,895	22,731
Prepaid Expenses & Other Assets	(22,682)	(35,708)
Increase (decrease) in operating liabilities		
Accounts Payable	(2,617)	(404,691)
Accrued Salaries	123,237	121,034
Accrued Interest	-	-
Accrued Interest – Related Party	32,055	33,861
Other Accrued Expenses	12,017	(29,424)
Net cash provided/(used) in operating activities	51,201	(18,712)
Cash Flows from Investing Activities:		
Investment in Intangible Assets	(27,771)	(60,042)
Purchase of Fixed Assets	-	(4,675)
Net cash provided/(used) by investing activities	(27,771)	(64,717)
Cash Flows from Financing Activities:		
Sale of Common Stock	-	225,000
Common Stock Offering Cost	-	-
Payments on Related Party Debt	-	(80,000)
Net cash provided/(used) by financing activities	-	145,000
Net increase/(decrease) in cash	23,430	61,571
Beginning Cash Balance	405,341	207,880
Ending Cash Balance	$ 428,771	$ 269,451
Supplemental disclosures of cash flow information:		
Cash paid for income taxes	$ -	$ -
Cash paid for interest	$ 1,160	$ -
Related Party Note converted to Common Stock	$ 1,745,546	$ -

See accompanying notes to consolidated financial statements

Genius Brands International, Inc.
Notes to Consolidated Financial Statements
March 31, 2012 (unaudited)

Note 1: The Company and Significant Accounting Policies

Organization and Nature of Business

Genius Brands International, Inc. ("we", "us", "our" or the "Company"), formerly known as Pacific Entertainment Corporation, provides music-based products which we believe are entertaining, educational and beneficial to the well-being of infants and young children under our brands, including Baby Genius. We create, market and sell children's DVDs, CD music and book products in the United States by distribution at wholesale to retail stores and outlets, direct to consumers through various "deal for a day" sites and through digital delivery. We also license the use of our brands, both domestically and internationally, to others to manufacture, market and sell products based on our characters and brand, whereby we receive advances and royalties.

Pacific Entertainment Corporation commenced operations in January 2006, assuming all of the rights and obligations of its Chief Executive Officer, Klaus Moeller, under an Asset Purchase Agreement between the Company and Genius Products, Inc., in which we obtained all rights, copyrights, and trademarks to the brands "Baby Genius," "Little Genius," "Kid Genius," "123 Favorite Music" and "Wee Worship," and all then existing productions under those titles. On October 17, 2011 and October 18, 2011, the Company, filed Articles of Merger with the Secretary of State of the State of Nevada and with the Secretary of State of the State of California, respectively, which (i) changed our domicile to Nevada from California, and (ii) changed our name to Genius Brands International, Inc. from Pacific Entertainment Corporation (the "Reincorporation"). Pursuant to the Articles of Merger, Pacific Entertainment Corporation, a California corporation, merged into Genius Brands International, Inc., a Nevada corporation that, prior to the Reincorporation, was the wholly owned subsidiary of Pacific Entertainment Corporation. Genius Brands International, the Nevada corporation, is the surviving corporation. The trading symbol is "GNUS".

In August 2009, the Company launched a line of Baby Genius pre-school toys. The line of 24 Baby Genius toys, manufactured by toy manufacturer Battat Incorporated, included musical, activity, and role-play toys that incorporated the Baby Genius principle of music as a core learning tool to engage and encourage children to communicate, connect, discover, and use their imagination. The Company granted an exclusive license to Battat for the marketing and distribution of a line of toys based on the Baby Genius brand and characters in the United States and Canada, and non-exclusive rights of distribution in other parts of the world. This license was terminated according to the terms of the contract in December 2010 although we granted Battat the right to continue to distribute the existing line of toys through late Spring 2011. We received no royalty reporting from Battat subsequent to the three month period ended March 31, 2011 and anticipate no further royalty revenue from this license agreement.

On January 11, 2011, the Company signed an agreement with Jakks Pacific's Tollytots® division for a new toy line. As a result of the five-year agreement, Tollytots® immediately began development on a comprehensive line of musical and early learning toys, incorporating the music, characters and themes from the *Baby Genius* series of videos and music CDs. The new toy line will cover a broad range of exclusive categories, including learning and developmental toys, most plush toys and musical toys, as well as several other non-exclusive categories. As part of the development of the new products, the Company has engaged in the creation of several new characters.

The Company also obtains licenses for other select brands we feel we can market and sell through our distribution channels and are distributing content obtained from independent studios and producers.

On September 20, 2010, the Company entered into a joint venture agreement between the Company and Dr. Shulamit Ritblatt to form Circle of Education, LLC ("COE"), a California limited liability company, for the purpose of creation and distribution of a curriculum to promote school readiness for children ages 0-5 years. The Company commissioned research into the use of music-based curriculum through San Diego State University over the past three years based on certain unregistered copyrights and trademarks, confidential information, designs, ideas, discoveries, inventions, processes, research results and work product it had developed. Dr. Ritblatt, who holds a Doctorate of Philosophy in Child Development and Family Relations has conducted research into child development and has experience developing early learning curriculum for children. In March 2012, the Company and Dr. Shulamit Ritblatt agreed to terminate the joint venture agreement. COE transferred equal right of ownership in the intellectual property developed as of the date of termination ("IP") to each of the Company and Dr. Ritblatt, and in exchange for the rights to the IP, Dr. Ritblatt transferred her units of COE to the Company. Each party will have the right to continue development of the IP and products based on the IP with no further obligation to the other party. Subject to certain limitations for specific channels of distribution reserved for each party for a period of twelve months from the execution of the agreements, both parties have non-exclusive and non-restrictive rights to the use, sublicense or sale of the IP and products created based on the IP.

During 2010, the Company launched a line of classic movies and television programs, "Pacific Entertainment Presents". Initially consisting of seven titles, each focusing on a specific genre such as Horror, Western, SciFi, Action, Mystery, War, and Gangster, an additional six titles were added in late 2010 expanding the line with the Super Hero's collection as well as Family Favorites. During 2011, the Company also signed distribution agreements with five studios whereby we sell their existing products through our channels of distribution. The agreements range in length from three to five years.

The Company's Financial Statements are prepared in accordance with accounting principles generally accepted in the United States of America. These require the use of estimates and assumptions that affect the assets, liabilities, revenues and expenses reported in the financial statements, as well as amounts included in the notes thereto, including discussion and disclosure of contingent liabilities. Although the Company uses its best estimates and judgments, actual results could differ from these estimates as future confirming events occur.

Interim Consolidated Financial Statements

The accompanying condensed consolidated financial statements of the Company have been prepared without audit. Certain information and disclosures required by accounting principles generally accepted in the United States have been condensed or omitted. These condensed consolidated financial statements reflect all adjustments that, in the opinion of management, are necessary to present fairly the results of operations of the Company for the periods presented. The results of operations for the three month period ended March 31, 2012, are not necessarily indicative of the results that may be expected for any future period or the fiscal year ending December 31, 2012.

These consolidated financial statements should be read in conjunction with the consolidated financial statements included in the Company's 2011 Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission on March 22, 2012.

Significant Accounting Policies

Revenue Recognition – The Company recognizes revenue related to product sales when (i) the seller's price is substantially fixed, (ii) shipment has occurred causing the buyer to be obligated to pay for product, (iii) the buyer has economic substance apart from the seller, and (iv) there is no significant obligation for future performance to directly bring about the resale of the product by the buyer as required by Revenue Recognition Topic 605 of the FASB Accounting Standards Codification.

Revenues associated with the sale of branded CDs, DVDs and other products, are recorded when shipped to customers pursuant to approved customer purchase orders resulting in the transfer of title and risk of loss. Cost of sales, rebates and discounts are recorded at the time of revenue recognition or at each financial reporting date.

The Company's licensing and royalty revenue represent variable payments based on net sales from brand licensees for content distribution rights. Revenue from licensed products is recognized when realized or realizable based on royalty reporting received from licensees.

Principles of Consolidation - The consolidated financial statements include the financial statements of the Company, and its wholly owned subsidiary: Circle of Education LLC. All inter-company balances and transactions have been eliminated in consolidation. In March 2012, the Company acquired the additional 25% outstanding ownership interest in the subsidiary from the noncontrolling partner. The financial statements reflect the noncontrolling interest recognized as of March 31, 2012 and December 31, 2011of $0 and $5,366 respectively.

Other Estimates – The Company estimates reserves for future returns of product based on an analysis that considers historical returns, changes in customer demand and current economic trends. The Company regularly reviews the outstanding Accounts Receivable balances for each account and monitors delinquent accounts for collectability. The Company reviews all intangible assets periodically to determine if the value has been impaired by recent financial transactions using the discounted cash flow analysis of revenue stream for the estimated life of the assets.

Liquidity - Historically, the Company has incurred net losses. As of March 31, 2012, the Company had a consolidated accumulated deficit of $8,735,350 and total stockholders' equity of $86,572. At March 31, 2012, the Company had consolidated current assets of $1,572,943, including cash of $428,771, and consolidated current liabilities of $1,762,349, resulting in a working capital deficit of $189,406. For the three month period ending March 31, 2012, the Company reported a consolidated net loss of $605,667, including stock option expense of $61,960 which has no cash expenditure requirement. The Company had net cash provided by operating activities of $51,201. Management believes that its increasing revenue each year over the prior year and cash generated by operations, together with funds available from short-term related party advances, will be sufficient to fund planned operations for the next twelve months. However, there can be no assurance that operations and operating cash flows will continue at the current levels or improve in the near future. If the Company is unable to obtain profitable operations and positive operating cash flows sufficient to meet scheduled debt obligations, it may need to seek additional funding or be forced to scale back its development plans or to significantly reduce or terminate operations.

Note 2: Plant, Property, and Equipment and Intangible Assets

The Company has plant, property and equipment and other intangible assets used in the creation of revenue of the following as of:

		3/31/2012		**12/31/2011**
Furniture and Equipment	$	87,262	$	87,261
Less Accumulated Depreciation		(57,438)		(54,367)
Net Fixed Assets	**$**	**29,824**	**$**	**32,894**

Trademarks	$	129,831	$	129,831
Product Masters		3,255,107		3,255,107
Other Intangible Assets		224,605		224,605
Less Accumulated Amortization		(3,240,169)		(3,204,524)
Net Intangible Assets	**$**	**369,374**	**$**	**405,019**

Pursuant to FASB Accounting Standards Codification regarding Topic 350, Intangible Assets, intangible asset(s) acquired, either individually or with a group of other assets shall be initially recognized and measured based on fair value. In the acquisition of the assets from Genius Products, fair value was calculated using a discounted cash flow analysis of the revenue streams for the estimated life of the assets. As this resulted in a fair market value in excess of the purchase price, the assets were recorded at $2,489,082, the total purchase price discounted with the imputed interest rate of 10%.

The Company reviews all intangible assets periodically to determine if the value has been impaired by recent financial transactions using the discounted cash flow analysis of revenue stream for the estimated life of the assets. At the three months ending March 31, 2012 and twelve months ending December 31, 2011 it was determined that no impairment exists.

The Company continues to develop new CDs and DVDs, in addition to adding content, improved animation and bonus songs/features to their existing CD and DVD collection. In accordance with FASB Accounting Standards Codification regarding the topics of Intangible Assets (350) and Research and Development (730), the costs of new product development and significant improvement to existing products are capitalized while routine and periodic alterations to existing products are expensed as incurred. As of March 31, 2012, the Company has $306,467 in Capitalized Product Development in Process representing DVD, CD, preschool readiness program and toy development projects not yet completed.

Note 3: Accrued Liabilities

Accrued Salaries and Wages as of March 31, 2012 total $316,756 and $193,519 as of December 31, 2011. Debenture Interest accrued and unpaid for the original $2.5 million principal balance is $19,049 as of March 31, 2012 and December 31, 2011. Interest on the debentures was terminated effective July 24, 2009 in accordance with the conversion agreement upon establishment of a secondary trading market for our common stock. Other Accrued Liabilities totaling $420,701 as of March 31, 2012 and $408,684 as of December 31, 2011, include a reserve for product returns, music royalty payments, financed insurance costs, commissions to outside representatives on net sales and royalty income, and amounts accrued but not yet due to studios for distributed products. The reserve for returned product represents an estimate of potential product returns in future periods and is evaluated for reasonableness each reporting period.

Note 4: Notes Payable and Accrued Interest - Related Parties

As of March 31, 2012 and December 31, 2011, the Company had the following notes payable and accrued interest balances outstanding:

	3/31/2012	12/31/2011
Related Party Note Payable to Company	$ -	$ 360,840
Accrued Interest on Related Party Note	-	22,142
Officer Loans to Company	232,573	311,988
Subordinated Officer Loans to Company	159,753	1,620,137
Accrued Interest on Subordinated Loans	37,361	24,090
Total Notes Payable and Accrued Interest	429,687	2,339,197
Less: Current Portion	-	-
Long Term Portion	$ 429,687	$ 2,339,197

On February 1, 2008, Isabel Moeller, sister of our Chief Executive Officer, Klaus Moeller, loaned $310,000 to the Company at an interest rate equal to 8% per annum as a short term note payable. The funds were borrowed from Ms. Moeller in order to reduce outstanding obligations due to Genius Products at that time. Subsequent agreements extended the maturity date to January 15, 2015 and reduced the stated interest rate to six (6%) percent per annum. Payments were made on the outstanding principal in the amount of $14,000 and $10,000 on February 9, 2011 and April 27, 2011, respectively. On April 1, 2011, Ms. Moeller converted $200,000 of the outstanding principle to 1,000,000 shares of the Company's common stock. On March 31, 2012, Ms. Moeller agreed to convert the remaining balance, including outstanding principal and interest, in the amount of $173,385.09 to 866,925 shares of common stock of the Company, or $0.20 per share. The note has been fully repaid.

Notes were issued in favor of four of the Officers for loans to the Company at various times during the years 2007 through 2009. Subsequent agreements amended the stated interest rate to 6% per annum and extended the maturity to January 15, 2015. Repayments were made on February 2, 2011 and April 27, 2011 in the aggregate amounts of $66,000 and $30,000, respectively. The amount due to the Officers on these notes includes accrued but unpaid interest in the amounts of $38,410 and $34,956 as of March 31, 2012 and December 31, 2011, respectively.

On March 31, 2011, four of the Officers agreed to convert accrued but unpaid salaries through December 31, 2010 to subordinated long term notes payable. In February 2011, as a result of an agreement by each of the four Officers to retroactively decrease the amount of the annual salary for 2010 from $125,000 per annum per Officer to $80,000, the amount of the notes were reduced to an aggregate of $1,620,137. On March 31, 2012, three of the Officers agreed to convert the entire balance outstanding on their respective notes in the cumulative amount of $1,326,048, including principal and interest, to 6,630,241 shares of common stock of the Company as payment in full. The remaining Officer converted a total of $246,113 of the outstanding balance for 1,230,566 shares of common stock of the Company. All shares issued in exchange for the notes were valued at $0.20 per share. The remaining note has a principal balance of $159,753, a maturity date of January 15, 2015 and a stated interest rate of six percent (6%) per annum. There is no prepayment penalty. As of March 31, 2012 and December 31, 2011, the accrued but unpaid interest totals $37,361 and $123,099, respectively.

Note 5: Stockholders' Equity

As part of the reincorporation, the total number of authorized shares of common stock was changed to 250,000,000 shares of $0.001 par value. As of March 31, 2012, 69,426,547 shares of common stock were outstanding.

The Company has 10,000,000 shares of preferred stock authorized with a par value of $0.001 which may have such designation, rights and preferences as approved by the Board of Directors. As of March 31, 2012, no shares were outstanding and the Board of Directors has not authorized issuance of preferred shares.

On March 31, 2012, the Company issued 8,727,732 shares of common stock in exchange for outstanding notes payable, including principal and interest, in the cumulative amount of $1,745,546, or $0.20 per share, for certain related parties and officers of the Company.

Through March 31, 2012, stock option grant notices for up to 15,060,000 shares of common stock have been issued to employees and service providers of the Company pursuant to the 2008 Stock Option Plan, in accordance with the provisions of Topic 718, Compensation, of the Accounting Standards Codification, which requires companies to measure the cost of employee services received in exchange for equity instruments based on the grant date fair value of those awards and to recognize the compensation expense over the requisite service period during which the awards are expected to vest. A total of $1,894,139 has been recognized as Additional Paid in Capital as the value of these options granted, which includes $61,960 and $432,422 for the three months ended March 31, 2012 and the twelve months ended December 31, 2011, respectively. Of the total grants for shares issued, 40,000 have expired as of March 31, 2012 and options to purchase up to 15,020,000 shares of common stock are outstanding. Additional details regarding the stock options granted is found in Note 8: Stock Options.

On June 2, 2009, the Company, through Glendale Securities, Inc. of Sherman Oaks, California as broker-dealer, filed a Disclosure Statement with the Financial Investment Regulatory Agency (FINRA) pursuant to Rule 15c2-11 of the Securities and Exchange Act of 1934, as amended, to establish a secondary trading market on the Pink Sheets Electronic OTC Markets system. Glendale Securities' request for un-priced quotation on the Pink OTC Markets was cleared by FINRA on July 13, 2009 and trading began on July 24, 2009. In May 2011, the OTC Markets, Inc. moved the Company to the OTCQB trading platform. On September 7, 2011, FINRA cleared the Company for quotation on the OTCBB. In connection with the change in domicile and name change from Pacific Entertainment Corporation to Genius Brands International, Inc., the Company filed an application for a new ticker symbol for trading purposes. The new trading symbol is "GNUS".

Note 6: Income Taxes

The Company accounts for income taxes in accordance with Accounting Standards Codification Topic 740, Income Taxes, which requires a company to determine whether it is more likely than not that a tax position will be sustained upon examination based upon the technical merits of the position. If the more-likely-than-not threshold is met, a company must measure the tax position to determine the amount to recognize in the financial statements.

At the adoption date of January 1, 2007, the Company had no unrecognized tax benefit which would affect the effective tax rate if recognized.

The Company includes interest and penalties arising from the underpayment of income taxes in the statements of operations in the provision for income taxes. As of March 31, 2012 and December 31, 2011, the Company had no accrued interest or penalties related to uncertain tax positions.

The Company files income tax returns in the U.S. federal jurisdiction and in the state of California. The Company is currently subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities since inception of the Company.

Note 7: Recent Accounting Pronouncements

There were no new accounting pronouncements issued during the three months ended March 31, 2012 and through the date of this filing that the Company believes are applicable or would have a material impact on the consolidated financial statements of the Company.

Note 8: Stock Options

The Company has adopted the provisions of Topic 718, Compensation, of the Accounting Standards Codification, which requires companies to measure the cost of services received in exchange for equity instruments based on the grant date fair value of those awards and to recognize the compensation expense over the requisite service period during which the awards are expected to vest.

On December 29, 2008, the Company adopted the Pacific Entertainment Corporation 2008 Stock Option Plan (the "Plan"), which provides for the issuance of qualified and non-qualified stock options to officers, directors, employees and other qualified persons. The Plan is administered by the Board of Directors of the Company or a committee appointed by the Board of Directors. The number of shares of the Company's common stock initially reserved for issuance under the Plan was 11 million. On September 2, 2011, the shareholders holding a majority of the Company's outstanding common stock adopted an amendment to the Company's 2008 Stock Option Plan to increase the number of shares of common stock issuable under the plan to 50 million.

On January 1, 2012, the Company issued a Stock Option Grant for services to the Vice President of Sales for the purchase of up to 25,000 shares of common stock, fully vesting as of March 31, 2012.

The Company used the Black-Scholes valuation model to estimate the grant date fair value of the options granted in 2012. The Company used the following assumptions for the 2012 valuations:

Risk-free interest rate	0.85%
Expected life in years	5
Dividend yield	0
Expected volatility	59.19%

The following schedule summarizes the changes in the Company's stock option plan for the three months ended March 31, 2012:

	Options Outstanding		Weighted Average Remaining Contractual Life	Aggregate Intrinsic Value	Weighted Average Exercise Price per Share
	Number of Shares	Exercise Price per Share			
Balance at December 31, 2011	14,995,000	$ 0.18-0.55	4.47 years	-	$ 0.43
Options Granted	25,000	$ 0.50	5.00 years	-	$ 0.50
Options Exercised	-	-	-	-	-
Options Expired	-	-	-	-	-
Balance at March 31, 2012	15,020,000	$ 0.18-0.55	4.24 years	-	$ 0.43
Exercisable March 31, 2012	11,570,000	$ 0.18-0.55	2.58 years	-	$ 0.33

During the three months ended March 31, 2012 and 2011 the Company recognized $61,960 and $1,771 in Stock Compensation expense, respectively.

Note 9: Warrants

During the three months ended March 31, 2012, no new warrants were issued.

The following schedule summarizes the changes in the Company's warrants for the three months ended March 31, 2012:

	Number of Warrants	Exercise Price per Share	Weighted Average Exercise Price per Share
Exercisable December 31, 2011	471,108	$ 0.40	$ 0.40
Warrants Granted	-	-	-
Warrants Exercised	-	-	-
Warrants Expired	-	-	-
Balance at March 31, 2012	471,108	$ 0.40	$ 0.40
Exercisable March 31, 2012	471,108	$ 0.40	$ 0.40

The following schedule summarizes the outstanding warrants at March 31, 2012:

Number of Warrants Outstanding at March 31, 2012	Number of Warrants Exercisable at March 31, 2012	Expiration Date	Exercise Price
471,108	471,108	2013	$ 0.40

Note 10: Employment Agreements

On April 26, 2011, the Company and each of four Officers agreed to enter into new five-year employment agreements unless written termination is provided by either party. Each employment agreement provides for a graduated base salary beginning at $165,000 per annum retroactive to March 20, 2011 and continuing to December 31, 2011 and increasing to $195,000 for 2012, $225,000 for 2013. After 2013, the agreement provides for base salary increases at the discretion of the Board of Directors, with a minimum 5% increase. In addition to base salary, each Executive continues to receive an annual car allowance of $11,400.

On May 2, 2012, the Company entered into a five-year "at will" employment agreement with Jeanene Morgan to serve as the Company's Chief Financial Officer. The agreement provides a base salary of $165,000 per annum from January 1, 2012 to December 31, 2012, increasing to $190,000 on January 1, 2013 and $215,000 on January 1, 2014. After 2014, the agreement provides for base salary increases at the discretion of the Board of Directors with a minimum 5% increase. The board of directors, in its sole discretion, may grant Ms. Morgan a year-end bonus with a value of no less than 2% of EBITDA of the Company (assuming a positive figure) and up to 100% of Ms. Morgan's base salary. Ms. Morgan shall be granted an option to purchase 200,000 shares of the Company's common stock. Ms. Morgan shall be permitted to participate in all benefit plans of the Company and receive 4 weeks paid vacation.

The following is a schedule by year of the future minimum salary payments related to these employment agreements:

2012	$	945,000
2013		1,090,000
2014		1,160,000
2015		1,218,002
2016		497,506
Total	$	4,910,508

Note 11: Limited Liability Company

On September 20, 2010, the Company entered into a joint venture agreement between the Company and Dr. Shulamit Ritblatt to form Circle of Education, LLC (COE), a California limited liability company, for the purpose of creation and distribution of a curriculum to promote school readiness for children ages 0-5 years. The Company obtained an initial voting and economic interest of seventy-five percent of the outstanding units of the newly formed company in exchange for the contribution of all intellectual property rights the Company had in the Circle of Education program. Circle of Education, LLC was formed on September 24, 2010.

The Company consolidated the results for the twelve month period ended December 31, 2011 with the results of COE. As the Company had an economic interest of 75 percent of the total subsidiary for the twelve months ended December 31, 2011, the Company recognized 100 percent of the loss and recorded 25 percent of the loss, or $5,366, as noncontrolling interest on the financial statements for the twelve months ended December 31, 2011.

In March 2012, the Company and Dr. Shulamit Ritblatt agreed to terminate the joint venture agreement. COE transferred equal right of ownership in the intellectual property developed as of the date of termination ("IP") to each of the Company and Dr. Ritblatt, and in exchange for the rights to the IP, Dr. Ritblatt transferred her units of COE to the Company. Each party has the right to continue development of the IP and products based on the IP with no further obligation to the other party. Subject to certain limitations for specific channels of distribution reserved for each party for a period of twelve months from the execution of the agreements, both parties have non-exclusive and non-restrictive rights to the use, sublicense or sale of the IP and products created based on the IP.

On May 2, 2012, the Board of Directors approved the cancellation of the California Limited Liability Company. The cancellation is pending approval by the California Secretary of State.

Note 12: Subsequent Events

The Company has evaluated subsequent events through the date the financial statements were issued in accordance with Financial Accounting Standards Board Codification Topic 855, Subsequent Events.

On April 11, 2012, the Company agreed to issue 1,000,000 shares of common stock in exchange for services valued at $220,000.

On May 2, 2012, the Company issued 111,070 shares of common stock in exchange for services valued at $22,214.

On May 2, 2012, the Company entered into an employment agreement with the Chief Financial Officer, with a term of five years and specifying certain salary payments and benefits. Additional information regarding the agreement can be found in Note 10: Employment Agreements.

On May 2, 2012, the Board of Directors approved the cancellation of Circle of Education, LLC, a California limited liability company formed in 2010. For additional information regarding the cancellation, see Note 11: Limited Liability Company.

On May 10, 2012, the Company issued 250,000 shares of common stock pursuant to a consulting agreement. The services are valued at $47,500, or $.019 per share.

On May 10, 2012, the Company issued 900,000 shares of common stock in exchange for cash in the amount of $180,000, or $0.20 per share, to an accredited investor.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our results of operations, financial condition and liquidity and capital resources should be read in conjunction with our unaudited consolidated financial statements and related notes for the three months ended March 31, 2012 and 2011. In addition to historical consolidated financial information, the following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements.

Forward Looking Statements

This report on Form 10-Q contains forward-looking statements which involve assumptions and describe our future plans, strategies and expectations.When used in this statement, the words “may,” “will,” “expect,” “anticipate,” “continue,” “estimate,” “project,” “intend,” and similar expressions are intended to identify forward-looking statements regarding events, conditions, and financial trends that may affect the Company’s future plans of operations, business strategy, operating results, and financial position. These statements are expressed in good faith and based upon a reasonable basis when made, but there can be no assurance that these expectations will be achieved or accomplished.

Persons reviewing this report are cautioned that any forward-looking statements are not guarantees of future performance and are subject to risks and uncertainties and actual results may differ materially from those included within the forward looking statements as a result of various factors. Such factors include, among other things, uncertainties relating to our success in judging consumer preferences, financing our operations, entering into strategic partnerships, engaging management, seasonal and period-to-period fluctuations in sales, failure to increase market share or sales, inability to service outstanding debt obligations, dependence on a limited number of customers, increased production costs or delays in production of new products, intense competition within the industry, inability to protect intellectual property in the international market for our products, changes in market condition and other matters disclosed by us in our public filings from time to time. Forward-looking statements speak only as to the date they are made. The Company does not undertake to update forward-looking statements to reflect circumstances or events that occur after the date the forward-looking statements are made.

Overview

The MD&A is based on our financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these financial statements requires us to make certain estimates and judgments that affect the reported amounts of assets, liabilities and expenses and related disclosure of contingent assets and liabilities. Management bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

Our Business

The Company commenced operations in January 2006, assuming all of the rights and obligations of its Chief Executive Officer, Klaus Moeller, under an Asset Purchase Agreement between the Company and Genius Products, Inc., in which we obtained all rights, copyrights, and trademarks to the brands "Baby Genius," "Little Genius," "Kid Genius," "123 Favorite Music" and "Wee Worship," and all then existing productions under those titles. On October 17, 2011 and October 18, 2011, Genius Brands International, Inc., filed Articles of Merger with the Secretary of State of the State of Nevada and with the Secretary of State of the State of California, respectively, which (i) changed its domicile to Nevada from California, and (ii) changed its name to Genius Brands International, Inc. from Pacific Entertainment Corporation (the "Reincorporation"). Pursuant to the Articles of Merger, Pacific Entertainment Corporation, a California corporation, merged into Genius Brands International, Inc., a Nevada corporation that, prior to the Reincorporation, was the wholly owned subsidiary of Pacific Entertainment Corporation. Genius Brands International, the Nevada corporation, is the surviving corporation. In connection with the Reincorporation, on October 12, 2011, the Company filed an Issuer Company-Related Action Notification Form with the Financial Industry Regulatory Authority ("FINRA") and on November 29, 2011 our trading symbol changed from "PENT" to "GNUS".

We create and provide family entertainment and music-based products that we believe will be entertaining, educational and beneficial to the well-being of infants and young children. We create, market and sell children's DVDs, CD music, toy, and book products in the United States by distribution at wholesale to retail stores and outlets. We also license the use of our brands domestically and internationally to others to manufacture, market and sell products based on our characters and brand, whereby we receive advances and royalties.

In August 2009, the Company launched a line of Baby Genius pre-school toys. The line of 24 Baby Genius toys, manufactured by toy manufacturer Battat Incorporated, included musical, activity, and role-play toys that incorporated the Baby Genius principle of music as a core learning tool to engage and encourage children to communicate, connect, discover, and use their imagination. The Company cancelled the agreement in December 2010 according to the terms of the contract, permitting Battat to continue selling the current line of toys until late spring 2011. The Company received no royalty revenue from Battat subsequent to the three month period ended March 31, 2011 and anticipates no further royalty income from this license.

On January 11, 2011, the Company signed a world-wide license agreement with Jakks Pacific's Tollytots® division for a new toy line. As a result of the five-year agreement, Tollytots® immediately began development on a comprehensive line of musical and early learning toys, incorporating the music, characters and themes from the *Baby Genius* series of videos and music CDs. The new toy line will cover a broad range of exclusive categories, including learning and developmental toys, most plush toys, and musical toys, as well as several other non-exclusive categories. As part of the development of the new products, the Company has engaged in the creation of several new characters as well as updating the existing characters.

Due to a gap between the termination of the Battat license and subsequent end of the extended sell off period and the introduction of the Jakks Pacific toy line 2012, we anticipate a reduction in royalty revenue during first half of 2012. As we cannot state with any certainty what the revenue would have been from the Battat toy line nor predict the sales for the new line of Jakks Pacific toys, we are unable to state the amount of the overall reduction for our licensed revenue category.

On September 20, 2010, the Company entered into a joint venture agreement between the Company and Dr. Shulamit Ritblatt to form Circle of Education, LLC ("COE"), a California limited liability company, for the purpose of creation and distribution of a curriculum to promote school readiness for children ages 0-5 years. The Company commissioned research into the use of music-based curriculum through San Diego State University over the past three years based on certain unregistered copyrights and trademarks, confidential information, designs, ideas, discoveries, inventions, processes, research results and work product it had developed. Dr. Ritblatt, who holds a Doctorate of Philosophy in Child Development and Family Relations, has conducted research into child development and has experience developing early learning curriculum for children. In March 2012, the Company and Dr. Shulamit Ritblatt agreed to terminate the joint venture agreement. COE transferred equal right of ownership in the intellectual property developed as of the date of termination ("IP") to each of the Company and Dr. Ritblatt, and in exchange for the rights to the IP, Dr. Ritblatt transferred her units of COE to the Company. Each party will have the right to continue development of the IP and products based on the IP with no further obligation to the other party. Subject to certain limitations for specific channels of distribution reserved for each party for a period of twelve months from the execution of the agreements, both parties have non-exclusive and non-restrictive rights to the use, sublicense or sale of the IP and products created based on the IP. In May 2012, the Company filed cancellation documents with the California Secretary of State to terminate the limited liability company. The cancellation is pending approval by the Secretary of State.

The Company also obtains licenses for other select brands we feel we can market and sell through our distribution channels.

During 2010, the Company launched a line of DVDs including classic movies and television programs under the brand "Pacific Entertainment Presents". Initially consisting of seven titles, each focusing on a specific genre such as Horror, Western, SciFi, Action, Mystery, War, and Gangster, an additional six titles were added in late 2010 expanding the line with the Super Hero's collection as well as Family Favorites. In 2011, we obtained the rights to distribute other studios' films on DVD, Blu-Ray, digital and broadcast formats under our brand which will be included in our product catalog starting in the third quarter of 2011. The agreements vary in length from three to five years.

Results of Operations

Three Month Period Ended March 31, 2012 Compared to March 31, 2011

Our summary results of operations are presented below:

	Three Months Ended March 31, 2012	2011
Revenues	$ 1,030,947	$ 1,307,177
Costs and Operating Expenses	(1,559,403)	(1,404,008)
Depreciation and Amortization	(38,715)	(54,829)
Loss from Operations	(567,171)	(151,660)
Other Income	85	10,416
Interest Expense	(33,215)	(35,006)
Total Other Income	(33,130)	(24,590)
Net Loss	(600,301)	(176,250)
Net Loss attributable to Noncontrolling Interest	-	3,444
Acquisition of minority interest	(5,366)	-
Net Loss attributable to Genius Brands International, Inc.	$ (605,667)	$ (172,806)
Net Loss per common share	$ (0.01)	$ (0.00)
Weighted average shares outstanding	60,698,815	55,116,515

Revenues. Revenues by product segment and for the Company as a whole were as follows:

	Three Months Ended March 31, 2012	2011
Genius Brands Product Sales	$ 522,023	$ 643,809
Licensed and Distributed Products	479,228	249,483
Royalty Revenue	29,696	413,885
Total Revenue	$ 1,030,947	$ 1,307,177

Genius Brands product sales represent items in which the Company holds the copyrights and/or trademarks to the characters and content which are manufactured and sold by the Company directly, either at wholesale to retail stores and outlets or direct to consumers through daily deal sites and our website. The decrease of $121,786 (18.9%) for the three months ended March 31, 2012 compared to the three months ended March 31, 2011, was due to a decrease in CD and DVD sales. Management believes that the Company is on target to slightly increase direct product sales volumes over 2011, although economic and retail conditions in the market could impact our future sales in a negative manner and we are unable to guarantee increased sales. We continue to explore additional sales opportunities with retail and distribution customers; however, there is no guarantee that our products will be accepted by these new customers.

The licensed and distributed product sales category includes items for which we license rights from other companies to copyrights and trademarks of select brands we feel will do well within our distribution channels, product acquired from other studios through distribution agreements, and overstock inventory from other studios which we sell and from which we receive income. For the three months ended March 31, 2012, the category increased by $229,745 (92.1%) over the same period in 2011 as a result of an increase in outside overstock studio product acquired and sold. The timing of the sales of overstock product is intermittent and unpredictable as it is determined by the availability of excess inventory from outside studios.

Royalty revenue is income for our characters and brands licensed to others to manufacture and/or market, both internationally and domestically. For the three months ended March 31, 2012 compared to the same period in 2011, the decrease of $384,189 (92.8%) was caused by the termination of the toy license with Battat. There may be fluctuation in licensing revenue due to economic conditions in the sales territory. We believe this revenue source will remain at a reduced rate compared to the same periods in the prior year throughout the first two quarters of 2012 due to the cancellation of the Battat toy license agreement, then show increases in late 2012 and in the subsequent years with the introduction of the new toy line currently in development with Jakks Pacific's Tollytots® division. We cannot guarantee that the new toy line will be accepted nor that the royalty revenue will increase.

Our products compete in the pre-school music, books, DVDs, and toy categories. We believe we compare favorably in the quality of our products, as well as competitive price point. We continue to market direct to retailers and are exploring new domestic and international licensing opportunities. We are investigating additional relevant external brands to license, adding to the diversity of our product line, while maintaining the integrity of our core mission of educating and entertaining children.

The Company's business is subject to the effects of seasonality, causing revenues to fluctuate with consumer purchasing behavior, competition, and the timing of holiday periods.

The 2012 economic outlook remains challenging, however, we anticipate sales growth through our actions to improve our existing products, maintaining highly competitive price points, increasing our digital product revenue and adding content to our product catalog.

Costs. Costs and expenses, excluding depreciation and amortization, consisting of cost of sales, marketing and sales expenses, and general and administrative costs, increased $155,395 (11.1%) for the three months ended March 31, 2012 compared to the three months ended March 31, 2011.

	Three Months Ended March 31,	
	2012	**2011**
Cost of Sales	$ 734,131	$ 553,908
General and Administrative	630,035	480,285
Marketing and Sales	189,557	364,552
Product Development	5,680	5,263
Total Costs and Operating Expenses	$ 1,559,403	$ 1,404,008

Cost of sales increased $180,223 (32.5%) during the three months ended March 31, 2012 compared to the three months ended March 31, 2011, as a result of increased sales volumes, product mix variations, and shipping costs.

Operating expenses predominately consists of salaries, employee benefits and stock based compensation as well as other expenses associated with executive management, finance, legal, facilities, marketing, rent, and other professional services. Costs associated with these categories are detailed as follows:

General and administrative costs increased $149,750 (31.2%) for the three months ended March 31, 2012 compared to the three months ended March 31, 2011. This is the result of increases in salaries and related expenses of $103,077, stock compensation expense of $60,188, investor relations of $10,385 and accounting fees of $9,947 primarily expended for auditing costs, offset by decreased rent expenses in the amount of $22,890. Increases in the stock compensation expenses in the amount of $60,188 were the result of options to purchase shares of the Company's common stock granted to officers as part of the employment agreements and to a consultant for services.

Marketing and sales expenses include trade shows, public relations firms, sales and royalty commissions and personal contact. Marketing expenses exhibit some fluctuation due to timing of trade shows attended. For the three months ended March 31, 2012 compared to the same period in the prior year the total expense decreased $174,995 (48.0%), due to reductions of commission expense based on decreased royalty revenue.

Product development expenses are for routine and periodic alterations to existing products. For the three months ended March 31, 2012 compared to the three months ended March 31, 2011, these expenses increased $417 (7.9%). All costs for new product development and significant improvements to existing products are capitalized in accordance with FASB Accounting Standards Codification Topic 350, Intangible Assets and Topic 730, Research and Development.

Operating expenditures are not generally seasonal and require consistent cash outflows.

Interest Expense. Interest expense primarily resulted from related party loans.

The Company borrowed funds from four of the Officers of the Company during the years 2007 to 2009 and issued promissory notes in favor of the Officers. The proceeds from the notes were used to pay operating obligations of the Company. Interest expense was recorded in the three months ended March 31, 2012 and 2010 in the amounts of $3,455 and $4,008, respectively. The decreases were due to partial repayments made in 2011.

On February 1, 2008, Isabel Moeller, sister of our Chief Executive Officer, Klaus Moeller, loaned $310,000 to the Company at an interest rate equal to 8% per annum. The funds were borrowed from Ms. Moeller in order to reduce outstanding obligations due to Genius Products, Inc. at that time. Subsequent agreements extended the maturity date to January 15, 2015 and reduced the stated interest rate to six (6%) percent per annum. Repayments on the principle balance were made in the aggregate of $24,000 during February and April 2011. On April 1, 2011, Ms. Moeller agreed to convert $200,000 of the outstanding balance to shares of common stock of the Company. On March 31 2012, Ms. Moeller agreed to convert the remaining balance of outstanding principal and interest, in the amount of $173,385, to shares of common stock of the Company. The interest expense for the three months ended March 31, 2012 and March 31, 2011 was $2,562 and $5,294, respectively. The note is paid in full.

On March 31, 2011, four of the Officers agreed to convert accrued but unpaid salaries through December 31, 2010 to subordinated long term notes payable. In February 2011, as a result of an agreement by each of the four Officers to retroactively decrease the amount of the annual salary for 2010 from $125,000 per annum per Officer to $80,000, the amount of the notes were reduced to an aggregate of $1,620,137. In March 2102, the Officers agreed to convert the aggregate sum of $1,572,161 to shares of common stock of the Company. The remaining note, with a principal balance of $159,753, has a maturity of January 15, 2015 and a stated interest rate of six percent (6%) per annum. For the three months ended March 31, 2012 and March 31, 2011, interest expense was recorded in the amount of $26,038 and $24,559, respectively.

Liquidity and Capital Resources

Three and Three Months Ended March 31, 2012 Compared to March 31, 2011

To date, we have relied on a combination of revenue, loans from officers and private offerings of stock to meet our cash requirements. Currently, our principal source of liquidity is cash in the bank. Management believes that its increasing revenues and cash generated by operations, together with funds available from short-term related party advances, will be sufficient to fund planned operations for the next twelve months. However, there can be no assurance that operations and operating cash flows will continue at the current levels or improve in the near future. If the Company is unable to obtain profitable operations and positive operating cash flows sufficient to meet scheduled debt obligations, it may need to seek additional funding through equity and related party loans or be forced to scale back its development plans or to significantly reduce or terminate operations.

Cash totaled $428,771 and $269,451 at March 31, 2012 and 2011, respectively. The change in cash is as follows:

	Three Months Ended March 31,		
	2012	2011	Change
Cash provided (used) by operations	$ 51,201	$ (18,712)	$ 69,913
Cash provided (used) in investing activities	(27,771)	(64,717)	$ 36,946
Cash provided (used) in financing activities	-	145,000	$ (145,000)
Increase (decrease) in cash and cash equivalents	$ 23,430	$ 61,571	$ (38,141)

Our cash flow is very seasonal and a vast majority of our sales historically occur in the last two quarters of the year as retailers expand inventories for the holiday selling season. Cash provided by operations in the three months ended March 31, 2012, compared to 2011, increased by $69,913 due to increased prepaid and other accrued expenses, a decrease in the accounts payable balance and decreases in accounts receivable and inventory. Cash used in the same periods for investing activities relates to investment in additional music, DVD and toy products.

Notes were issued in favor of four of the Officers for loans to the Company at various times during the years 2007 through 2009. Interest expense was recorded in the three months ended March 31, 2012 and 2011 in the amounts of $3,454 and $4,008, respectively.

On March 31, 2011, four of the Officers agreed to convert accrued but unpaid salaries through March 31, 2011 to subordinated long term notes payable in an aggregate of $1,620,137. In March 2012, the Officers agreed to convert the sum of $1,572,161 to shares of common stock of the Company. The remaining note, with a principal balance of $159,753, has a maturity of January 15, 2015 and a stated interest rate of six percent (6%) per annum. For the three months ended March 31, 2012 and March 31, 2011, interest expense was recorded in the amount of $26,038 and $24,559, respectively.

Critical Accounting Policies

The Company's accounting policies are described in Note 1: The Company and Significant Accounting Policies of the notes to the Company's financial statements in Item 1 above. Below is a summary of the critical accounting policies, among others, that management believes involve significant judgments and estimates used in the preparation of its financial statements.

Revenue Recognition – The Company recognizes revenue related to product sales when (i) the seller's price is substantially fixed, (ii) shipment has occurred causing the buyer to be obligated to pay for product, (iii) the buyer has economic substance apart from the seller, and (iv) there is no significant obligation for future performance to directly bring about the resale of the product by the buyer as required by Revenue Recognition Topic 605 of the FASB Accounting Standards Codification.

Revenues associated with the sale of branded CDs, DVDs and other products, are recorded when shipped to customers pursuant to approved customer purchase orders resulting in the transfer of title and risk of loss. Cost of sales, rebates and discounts are recorded at the time of revenue recognition or at each financial reporting date.

The Company's licensing and royalty revenue represent variable payments based on net sales from brand licensees for exclusive content distribution rights. Revenue from licensed products is recognized when realized or realizable based on royalty reporting received from licensees.

Principles of Consolidation - The consolidated financial statements include the financial statements of the Company, and its wholly owned subsidiary: Circle of Education LLC. All inter-company balances and transactions have been eliminated in consolidation. In March 2012, the Company acquired the additional 25% outstanding ownership interest in the subsidiary from the noncontrolling partner. The financial statements reflect the noncontrolling interest recognized as of March 31, 2012 and December 31, 2011of $0 and $5,366 respectively.

Other Estimates – The Company estimates reserves for future returns of product based on an analysis that considers historical returns, changes in customer demand and current economic trends. The Company regularly reviews the outstanding accounts receivable balances for each account and monitors delinquent accounts for collectability. The Company reviews all intangible assets periodically to determine if the value has been impaired by recent financial transactions using the discounted cash flow analysis of revenue stream for the estimated life of the assets.

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

Not applicable

Item 4. Controls and Procedures.

Disclosure Controls and Procedures

We carried out an evaluation, under the supervision and with the participation of our management, including our chief executive officer and chief financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the ‘‘Exchange Act’’). Disclosure controls and procedures include, without limitation, controls and procedures that are designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Exchange Act is accumulated and communicated to the issuer’s management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Based upon our evaluation, our chief executive officer and chief financial officer concluded that our disclosure controls and procedures are effective, for the three months ended March 31, 2012, in ensuring that information that we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission rules and forms.

Internal Control Over Financial Reporting

There were no changes in our system of internal controls over financial reporting during the three months ended March 31, 2012 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal proceedings.

There are presently no material pending legal proceedings to which the Company is a party or as to which any of its property is subject, and no such proceedings are known to the Company to be threatened or contemplated against it.

Item 1a. Risk factors.

As a “smaller reporting company” as defined by Item 10 of Regulation S-K, the Company is not required to provide information required by this Item.

Item 2. Unregistered sales of equity securities and use of proceeds.

None

Item 3. Defaults upon senior securities.

There were no reportable events under this Item 3 during the three months ended March 31, 2012.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other information.

On May 2, 2012, the Company entered into a five-year "at will" employment agreement with Jeanene Morgan to serve as the Company's Chief Financial Officer. The agreement provides a base salary of $165,000 per annum from January 1, 2012 to December 31, 2012, increasing to $190,000 on January 1, 2013 and $215,000 on January 1, 2014. After 2014, the agreement provides for base salary increases at the discretion of the Board of Directors with a minimum 5% increase. The board of directors, in its sole discretion, may grant Ms. Morgan a year-end bonus with a value of no less than 2% of EBITDA of the Company (assuming a positive figure) and up to 100% of Ms. Morgan's base salary. Ms. Morgan shall be granted an option to purchase 200,000 shares of the Company's common stock. Ms. Morgan shall be permitted to participate in all benefit plans of the Company and receive 4 weeks paid vacation.

The Agreement may be terminated by either party, for any reason, however, termination by the Company will require a "Super Majority" vote of the board of directors, as is defined in the agreement. If terminated by the Company without Cause or by Ms. Morgan for Good Reason as such terms are defined in the agreement, Ms. Morgan shall receive a 12 month severance package that includes salary and bonus. If terminated by the Company for Cause, the Company is only obligated to pay all then accrued salary and unused vacation time.

Item 6. Exhibits.

Exhibit No.	Description
10.1	Employment Agreement between Jeanene Morgan and Genius Brands International, Inc. dated as of May 2, 2012
31.1	Section 302 Certification of Chief Executive Officer.
31.2	Section 302 Certification of Chief Financial Officer.
32.1	Section 906 Certification of Chief Executive Officer.
32.2	Section 906 Certification of Chief Financial Officer
101	XBRL (Extensible Business Reporting Language) The following materials from the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2012, formatted in Extensive Business Reporting Language (XBRL), (i) consolidated balance sheets, (ii) consolidated statements of operations, (iii) consolidated statements of stockholders' equity (deficit), (iv) consolidated statements of cash flows, and (iv) the notes to the consolidated financial statements.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

GENIUS BRANDS INTERNATIONAL, INC.

Date: May 15, 2012	By: *<u>/s/ Klaus Moeller</u>*
	Klaus Moeller, Chief Executive Officer

Exhibit 10.1

EMPLOYMENT AGREEMENT

This Employment Agreement (the “Agreement”) is made as of May 2, 2012 (the “Effective Date”) by and between Jeanene Morgan ("Employee”) and Genius Brands International, Inc. , a Nevada corporation (“Employer or “Company”), located at 5820 Oberlin Drive, Suite 203, San Diego, California 92121.

WITNESSETH:

WHEREAS, Employer would like to engage the services of Employee for Employee’s skills as Chief Financial Officer and related services as requested by Employer on a full-time basis, and Employee would like to be so engaged;

WHEREAS, Employer and Employee have agreed on terms for such services and compensation; and

WHEREAS, Employer and Employee wish to enter into a formal written agreement to document such relationship in order to set forth (a) Employee’s services and compensation, (b) the terms of Employee’s employment, including the "at-will" nature thereof, (c) Employer’s exclusive ownership of all proprietary information relating to Employer, (d) certain confidentiality matters, and (e) the manner in which proprietary information produced or acquired by Employee during such relationship shall be handled and made the sole property of Employer;

NOW, THEREFORE, in consideration of the foregoing and in exchange for the promises and other good consideration set forth below, Employee and Employer agree as follows:

1. Services; Title. Employee shall operate as part of Employer’s management team, and provide such management and planning responsibilities and other services as Employer shall reasonably request to be performed (together, the "Services") on a full-time basis and shall devote substantially all of Employee's work efforts to the business and operations of Employer. Employee's title, subject to change by Company at any time, shall be "Chief Financial Officer".

2. Compensation, Benefits and Reviews. Subject to all the other terms of this Agreement, in connection with Employee's performance of the Services, Employer shall:

(a) pay Employee's salary by check in equal installments in accordance with Employer's regular salary payment schedule, which shall be paid at the rate (before deductions for advances and deductions made at Employee's request, if any, and for deductions required by federal, state and local law) of $165,000 per year from January 1, 2012 through December 31, 2012, then $190,000 per year from January 1, 2013 through December 31, 2013, then $215,000 per year from January 1, 2014 through December 31, 2014. Employee’s salary for the remaining term of this Agreement shall be set by the Board of Directors, but shall not increase less than five percent (5%) per annum.

(b) at the sole option of the Board of Directors of Company, pay Employee a year-end performance bonus in the form of cash, options to purchase shares, or shares of the Company's Common Stock, but in no event shall the bonus be less than two percent (2.0%) of EBITDA of the Company (earnings before interest, depreciation, taxes and amortization), as long as that figure is positive, up to 100% of the base salary for the annual period for which the bonus is earned. The bonus amount may be increased at the discretion of the Board of Directors. Such bonuses are payable within ninety (90) days of issuance of audited financial statements of the Company.

(c) grant an option to Employee in the form of Annex B hereto (the "Options") to purchase, in addition to all other grants previously issued, 200,000 shares of Genius Brands International, Inc. Common Stock, the terms (including, without limitation, the option price and the time of vesting of the shares issuable pursuant thereto) of which Options shall be governed by the face thereof subject to availability and provisions of Employer's 2008 Stock Option Plan in effect or as amended, a copy of which is attached hereto as Annex C. Such options have been granted or shall be granted on the Effective date and vest on Dec. 31, 2014. The purchase price of the stock options granted under this paragraph shall be the greater of $0.44 per share or one hundred ten percent (110%) of the average trading price of shares of the Company for the previous five (5) trading days before the date of grant. Any stock options granted shall be exercisable for five (5) years from date of grant, and shall be treated as Qualified Stock Options (ISO) as such term is defined in section 422 of the Internal Revenue Code when allowed by law. Options granted but not exercised or expired upon termination shall have an expiration as determined by the Stock Option Grant Notice, unless Employee is terminated for Cause, in which case they may be exercised in accordance with Employer's then existing stock option plan, which currently calls for exercise within ninety (90) days of termination. In the event of a Change of Control that results in the termination of Employee's employment prior to the Expiration Date, the vesting of the Options shall accelerate and vest in full. A Change of Control means the sale of all or substantially all of the Company's assets, a merger or consolidation resulting in securities representing 50% of the combined voting power of the outstanding common stock being transferred to persons who are different from the holders immediately preceding the transaction, the acquisition (directly or indirectly) of 50% of the total combined voting power of the common stock pursuant to a tender or exchange offer, or a majority of the members of the Board is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board before the date of the appointment or election.

(d) grant Employee the option to participate in all of the benefit plans offered by Employer to its Employees generally, including without limitation, insurance plans, 401(k) and other savings plans, Section 125 (cafeteria) and similar pre-tax expense plans, etc., in existence or established during the term.

(e) grant Employee private health care insurance for Employee and Employee's dependents, either a cellular telephone or a cellular telephone reimbursement, computer laptop or similar devices, and such other benefits as Employer shall determine to provide to any of its most senior executives from time to time.

(f) reimburse Employee for all reasonable travel, meals, lodging, communications, entertainment and other business expenses incurred by Employee in connection with Employee's performance under this Agreement subject to the Company's Expense Reimbursement policy. Company shall indemnify Employee for all lawful acts committed in course and scope of employment to fullest extent allowed by law.

(g) grant Employee four (4) weeks' vacation with pay for each twelve-month period, taken at times agreed with Employer, plus holidays observed by Company. Unused vacation time shall accrue in accordance with Company policy, as may be amended from time to time, but in no event shall accrued vacation exceed six (6) weeks.

3. Term and Termination. The term of this Agreement extends to December 31, 2016 (the "Expiration Date"), unless earlier terminated by Employer in Employer's sole discretion subject to a Super Majority vote of the Board of Directors. For purposes of this agreement, a "Super Majority" shall be defined as at least seventy percent (70%) of the total number of members of the Board of Directors as then constituted. The term of this Agreement may be terminated "at will" by Employer at any time and for any reason or for no reason. In the event Employee shall be terminated by Employer without "Cause" (as defined below) Employer shall provide Employee with the compensation required by clauses (a) and (b) of Paragraph 2 of this Agreement as of the termination date for an twelve (12) month period (the "Severance Period") following the date of such termination plus all accrued but unpaid salary and vacation time to the date of termination, with the salary portion of all such compensation payable at regular payroll intervals (less deductions required by law), provided, however, that the Severance Period shall not be extended beyond the Expiration Date. IT IS EXPRESSLY UNDERSTOOD AND AGREED that Employee need not mitigate damages during the Severance Period, but also that payment during the Severance period is expressly conditioned on a)Employee signing a release of all claims subject to the provisions of this Agreement, and b) Employee not competing with Company in children's entertainment during the Severance Period, or soliciting, directly or indirectly, any Company employees to work elsewhere, or disparaging Company during the Severance Period, and if Employee does so, any and all obligation by Company to make Severance payments shall cease and become void. Further, upon termination of Employee without cause, any stock options scheduled to be granted or not yet vested shall immediately be granted and vested. Further, any bonus which would have been earned on the date of termination or within ninety (90) days after termination (earned for the purpose of this paragraph is either the end of the calendar year or payable date, whichever provides Employee with greater benefit) would be deemed earned and payable upon the same payment schedule as provided in paragraph 2(b). Upon termination of Employee's employment with Employer for Cause, Employer shall be under no further obligation to Employee for salary or other compensation except to pay all accrued but unpaid salary and accrued vacation time to the date of termination thereof and to continue Employee's benefits under paragraph 2 for a period of thirty (30) days. For purposes of this Agreement, "Cause" shall mean (i) conviction of a felony, or a misdemeanor where imprisonment is imposed, or (ii) Employee's entering into any arrangement with or providing of any services to any company, business or person that produces or markets children's or infant's entertainment other than Pacific Entertainment Corporation and its controlled or controlling affiliates and successors, (iii) any act of fraud, embezzlement, or breach of fiduciary duty or duty of good faith to Employer, (iv) gross dereliction of duties, but only after written notice and a thirty (30) day chance to cure, unless such a cure period would be fruitless, (v) death or complete disability in excess of one hundred twenty (120) days causing an inability to perform duties, in accordance with law. Termination by Employee for Good Reason creates the same rights to Employee as if Employer terminated Employee without Cause. Termination by Employee for Good Reason is defined as a breach of this contract by Company, a substantial reduction in duties, responsibilities or authority, or being made to change location of work by more than thirty (30) miles, however Employee must give written notice and Company shall have thirty (30) days to cure. "Cause" shall not be triggered by a Change of Control. The Parties shall work together in good faith to alter the date of any payment to avoid any penalties under Section 409A of the Internal Revenue Code.

4. Confidentiality of Terms; Termination Certificate. Employee covenants and agrees that, other than acknowledging the existence of an Employee relationship between Employer and Employee and as otherwise required by law, Employee shall not at any time divulge, directly or indirectly, any of the terms of this Agreement to any person or entity other than Employee's legal counsel. Upon the termination of Employee's engagement under this Agreement for any reason whatsoever, Employee agrees to sign, date and deliver to Employer a "Termination Certificate" in the form of Annex A and to deliver and take all other action necessary to transfer promptly to Employer all records, materials, equipment, drawings, documents and data of any nature pertaining to any invention, trade secret or confidential information of Employer or to Employee's engagement, and Employee will not take with Employee any description containing or pertaining to any confidential information, knowledge or data of Employer that Employee may produce or obtain during the course of Employee's engagement under this Agreement. This Paragraph 4 shall survive indefinitely any termination of this Agreement or Employee's engagement, and shall be read in addition to, and shall not reduce the restrictions of this Agreement on Employee or limit Employer's rights in any way with respect to, any other Confidentiality or Trade Secrets agreement between Employee and Employer.

5. Nondisclosure. Employee agrees to keep confidential and not to disclose or make any use of (except for the benefit of Employer), at any time, either during or after Employee's engagement under this Agreement, any trade secrets, confidential information, knowledge, data or other information of Employer relating to products, processes, know-how, designs, formulas, test data, customer lists, business plans, marketing plans and strategies, pricing strategies or other subject matters pertaining to any business or future business of Employer or any of its clients, customers, Employees, licensees or affiliates, which Employee may produce, obtain or otherwise acquire or become aware of during the course of Employee's engagement under this Agreement. Employee further agrees not to deliver, reproduce or in any way allow any such trade secrets, confidential information, knowledge, data or other information, or any documentation relating thereto, to be delivered or used by any third party without specific direction or consent of a duly authorized officer of Employer. This Paragraph 5 shall survive indefinitely any termination of this Agreement or Employee's engagement and shall be read in addition to, and shall not reduce the restrictions of this Agreement on Employee or limit Employer's rights in any way with respect to, any other Confidentiality or Trade Secrets agreement between Employee and Employer.

6. Work for Hire; Ownership of Intellectual Property. Employee understands and agrees that all of Employee's work and the results thereof in connection with the Employer and the Services, whether made solely by Employee or jointly with others, during the period of Employee's association with Employer, that relate in any manner to the actual or anticipated business, work, activities, research or development of Employer or its affiliates, or that result from or are suggested by any task assigned to Employee or any activity performed by Employee on behalf of Employer, shall be the sole property of the Employer, and, to the extent necessary to ensure that all such property shall belong solely to the Employer, Employee by Employee's execution of this Agreement transfers to the Employer any and all right and interest Employee may possess in such intellectual property and other assets created in connection with Employee's employment by Employer and that may be acquired by Employee during the term of this Agreement from any source that relate, directly or indirectly, to Employer's business and future business, in each case without restriction of any kind. Employee also agrees to take any and all actions requested by Employer to preserve Employer's rights with respect to any of the foregoing. This Paragraph 6 shall survive indefinitely any termination of this Agreement or Employee's engagement and shall be read in addition to, and shall not reduce the restrictions of this Agreement on Employee or limit Employer's rights in any way with respect to, any other agreement between Employee and Employer.

7. Exception to assignment. I understand that the provisions of Paragraph 5 requiring assignment of Inventions to the Company do not apply to any invention which qualifies fully under the provisions of California Labor Code Section 2870 . I will advise the Company promptly in writing of any inventions that I believe meet the criteria in Labor Code Section 2870, which provides:

> (a) Any provision in an employment agreement which provides that an employee shall assign, or offer to assign, any of his or her rights in an invention to his or her employer shall not apply to an invention that the employee developed entirely on his or her own time without using the employer's equipment, supplies, facilities, or trade secret information except for those inventions that either:
> (1) Relate at the time of conception or reduction to practice of the invention to the employer's business, or actual or demonstrably anticipated research or development of the employer; or
> (2) Result from any work performed by the employee for the employer.
> (b) To the extent a provision in an employment agreement purports to require an employee to assign an invention otherwise excluded from being required to be assigned under subdivision (a), the provision is against the public policy of this state and is unenforceable.

8. No Partnership; Not Assignable by Employee. This Agreement is between Employee, as such, and Employer, as at-will employer, and shall not form or be deemed to form a partnership or joint venture. Employer's rights, benefits, duties and obligations under this Agreement shall inure to its successors and assigns. Employee's rights, obligations and duties under this Agreement are personal to Employee and may not be assigned.

9. Trade Secrets of Others: Employee represents that Employee's performance of all the terms of this Agreement and as the Employer's Employee does not and will not breach any agreement to keep in confidence any proprietary information, knowledge or data acquired by Employee in confidence or in trust before Employee's engagement under this Agreement, and Employee will not disclose to Employer or induce Employer to use any confidential or proprietary information or material belonging to any other person or entity. Employee agrees not to enter into any agreement, either written or oral, in conflict with this Paragraph 8.

10. Employee's Representations and Warranties. Employee represents, warrants, covenants, understands and agrees that: (i) Employee is free to enter into this Agreement; (ii) Employee is not obligated or a party to any engagement, commitment or agreement with any person or entity that will, does or could conflict with or interfere with Employee's full and faithful performance of this Agreement, nor does Employee have any commitment, engagement or agreement of any kind requiring Employee to render services or preventing or restricting Employee from rendering services or respecting the disposition of any rights or assets that Employee has or may hereafter acquire or create in connection with the Services and the results thereof; (iii) other than as required by law, Employee shall not at any time divulge, directly or indirectly, any of the terms of this Agreement to any person or entity other than Employee's legal counsel; (iv) Employee shall not use any material or content of any kind in connection with Employer's products, software or website that is copyrighted or owned or licensed by a party other than Employer or that would or could infringe the rights of any other party; (v) Employee shall not use in the course of Employee's performance under this Agreement, and shall not disclose to Employer, any confidential information belonging, in part or in whole, to any third party; (vi) **EMPLOYEE UNDERSTANDS ALL OF THE TERMS OF THIS "AT WILL" EMPLOYMENT AGREEMENT, AND HAS REVIEWED THIS AGREEMENT FULLY AND IN DETAIL BEFORE AGREEING TO EACH AND ALL OF THE PROVISIONS**; and (vii) no statement, representation, promise, or inducement has been made to Employee, in connection with the terms or execution of this Agreement, except as expressly set forth in this Agreement.

11. Governing Law; Arbitration. This Agreement shall be subject to and construed in accordance with the laws of the State of California applicable to agreements entered into and to be performed fully therein and without giving effect to conflicts of laws principles thereof. In the event of any dispute in connection with the Services or this Agreement that cannot be resolved privately between the parties, resolution of such dispute shall be through binding arbitration before a single arbitrator conducted in the County of San Diego, California under the simple employment rules of the Judicial Arbitration and Mediation Service (JAMS) then in effect that are not contrary to California law. Nothing contained in this paragraph 10 shall limit either party's right to seek temporary restraining orders or injunctive or other equitable relief in court in connection with this Agreement. **EMPLOYEE UNDERSTANDS THAT BY AGREEING TO ARBITRATION IN THE EVENT OF A DISPUTE BETWEEN EMPLOYER AND EMPLOYEE, EMPLOYEE IS EXPRESSLY WAIVING EMPLOYEE'S RIGHT TO REQUEST A TRIAL BY JURY IN A COURT OF LAW.** The prevailing party in any arbitration shall be entitled to reasonable attorneys fees and costs, but only if the party initiating arbitration first sought in good faith to mediate the dispute with the other party.

12. Entire Agreement; Modification; Waiver; Construction Generally. This Agreement constitutes the entire agreement between Employer and Employee relating to its subject matter, and, other than as expressly set forth in the last sentence of each of Paragraphs 5 and 6 solely for the benefit of Employer, supersedes all previous agreements, if any, whether oral, written or unwritten. Other than the agreements expressly contemplated by this Agreement, there is no separate agreement, contract or understanding, express or implied, of any kind or with respect to any subject matter between Employer and Employee, and none shall be deemed to exist under any circumstances. No provision of this Agreement shall be construed strictly against any party, including, without limitation, the drafter. Neither this Agreement nor any provision may be amended, waived or modified in any way other than by a writing executed by the party against whom such amendment, waiver or modification would be enforced. No failure to exercise, and no delay in exercising and no course of dealing with respect to any right shall operate as a waiver. Nor shall a waiver by any party of a breach of any provision be deemed a waiver of any subsequent breach. The rights and remedies provided by this Agreement are cumulative, and the exercise of any right or remedy by either party (or by its successor), whether pursuant to this Agreement, to any other agreement, or to law, shall not preclude or waive its right to exercise any or all other rights and remedies. The headings or titles of the several paragraphs of this Agreement are inserted solely for convenience and are not a part of, nor shall they be used or referred to in the construction of, any provision of this Agreement. Words in the singular number shall include the plural, and vice versa. Whenever examples are used in this Agreement with the words "including," "for example," "any," "e.g.," "such as," "etc." or any derivation thereof, such examples are intended to be illustrative and not in limitation. All references to the masculine, feminine or neuter genders shall mean and include all genders.

IN WITNESS WHEREOF, each of the undersigned has set forth Employee's, Employer's or its signature as of the date first set forth above.

EMPLOYER:

Genius Brands International, Inc., a Nevada
corporation

By: */s/ Mike Meader*
Mike Meader, President

EMPLOYEE:

By: */s/ Jeanene Morgan*
Jeanene Morgan

Exhibit 31.1

RULE 13A-14(A) CERTIFICATION

I, Klaus Moeller, certify that:

1. I have reviewed this 10-Q of Genius Brands International, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d- 15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

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    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 15, 2012 *_/s/ Klaus Moeller_*

Klaus Moeller, Chief Executive Officer

Exhibit 31.2

RULE 13A-14(A) CERTIFICATION

I, Jeanene Morgan, certify that:

1. I have reviewed this 10-Q of Genius Brands International, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d- 15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

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    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 15, 2012 */s/ Jeanene Morgan*

Jeanene Morgan, Chief Financial Officer

Exhibit 32.1

CERTIFICATION
PERSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT
OF 2002 (18 U.S.C. 1350)

I, Klaus Moeller, Chief Executive Officer of Genius Brands International, Inc., (the "Company"),do hereby certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that to the best of my knowledge:

1. the Quarterly Report on Form 10-Q, of the Company for the fiscal quarter ended March 31, 2012 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 15, 2012

/s/ Klaus Moeller

Klaus Moeller, Chief Executive Officer

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act has been furnished to Genius Brands International, Inc. and will be retained by Genius Brands International, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION
PERSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT
OF 2002 (18 U.S.C. 1350)

I, Jeanene Morgan, Chief Financial Officer of Genius Brands International, Inc., (the “Company”),do hereby certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that to the best of my knowledge:

1. the Quarterly Report on Form 10-Q, of the Company for the fiscal quarter ended March 31, 2012 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 15, 2012

/s/ Jeanene Morgan

Jeanene Morgan, Chief Financial Officer

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act has been furnished to Genius Brands International, Inc. and will be retained by Genius Brands International, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.